



The Metropolitan Water District of Southern California

NEWS RELEASE

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METROPOLITAN WATER DISTRICT STATEMENT FOLLOWING BOARD WORKSHOP ON TENTATIVE LABOR CONTRACT AGREEMENTS

Timothy F. Brick, chairman of the board of directors of the Metropolitan Water District of Southern California, issued the following statement regarding today's board workshop on the tentative labor agreements with the district's four employee bargaining units:

“The Metropolitan Water District is pleased with the open and candid discussion that took place at a special board workshop held today regarding the tentative agreement between Metropolitan and its four employee bargaining units representing nearly 2,000 employees.

“While there was not complete agreement among the directors on all the negotiated issues, strong support for the process and the resulting tentative agreement was voiced by many participants.

“Allaying concerns expressed by some that the agreement would overly burden the agency and ratepayers, the Board of Directors received a report from a third-party actuarial consultant that the proposed agreement would create significant short- and long-term cost savings.

“That presentation by Bartel Associates, LLC noted that the proposed mix of employee pay and benefit concessions, increased payments by employees for retiree medical benefits, and a longer medical benefits vesting period for new employees, would create nearly \$29 million in savings over the five-year term of the agreement and more over the long term.

“There has been some strong criticism about this tentative agreement, and a lot of it has not been based on the facts. The Bartel presentation reiterated management's opinion that this is a sound business decision for Metropolitan, its workforce and our ratepayers. It is groundbreaking, not only the process by which it was negotiated, but in the level of trade-offs made jointly with the bargaining units that will provide Metropolitan more flexibility to reduce future costs.

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“Metropolitan and its four employee bargaining units relied on a new kind of negotiating process called “interest-based” bargaining. In this type of negotiation, both management and labor undergo intensive training sessions before bargaining begins. These sessions focus on problem-solving, and they provide mechanisms to improve communication and cultivate mutual understanding and respect.

“Using the interest-based method, the current tentative agreement was developed in four months. Development of the 2006 agreement, that employed traditional negotiating methods, took nearly a year and a half of sometimes contentious discussions before reaching an agreement. Both management and labor were determined not to repeat that experience.

“Metropolitan will continue to provide complete information about the tentative agreement to our member agencies and to the public at large. I am pleased by the spirited exchange that took place at today’s workshop and look forward to board ratification of the agreement on Oct. 13.”

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The Metropolitan Water District of Southern California is a cooperative of 26 cities and water agencies serving 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.